



BOARD MEETING DATE: June 3, 2011

AGENDA NO. 10

PROPOSAL: Approve Alternative Fuel Infrastructure and Local Government Match Contract Awards under FY 2010-11 AB 2766 Discretionary Fund Work Program

SYNOPSIS: As part of their FY 2010-11 AB 2766 Discretionary Fund Work Program, MSRC issued Program Announcements for the Alternative Fuel Infrastructure and Local Government Match Programs. The MSRC approved multiple new contracts under these Programs, and seeks AQMD Board approval of these contract awards.

COMMITTEE: Mobile Source Air Pollution Reduction Review, May 19, 2011, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve the award of 10 contracts totaling \$1.3 million for the Alternative Fuel Infrastructure Program as part of the FY 2010-11 Work Program, as described in this letter and as follows:
 - a. A contract with USA Waste of California in an amount not to exceed \$125,000 for the expansion of an existing LNG station in Corona, California through the addition of CNG dispensing and storage capability;
 - b. A contract with Waste Management Collection and Recycling in an amount not to exceed \$125,000 for the expansion of an existing LNG station in San Gabriel, California through the addition of CNG dispensing and storage capability;
 - c. A contract with Border Valley Trading in an amount not to exceed \$150,000 for installation of a new publicly accessible LNG station in Palm Springs, California;
 - d. A contract with EDCO Disposal Corporation in an amount not to exceed \$100,000 for installation of a new CNG station in Signal Hill, California;
 - e. A contract with EDCO Disposal Corporation in an amount not to exceed \$100,000 for installation of a new CNG station in Buena Park, California;
 - f. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Huntington Beach, California;
 - g. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Santa Ana, California;

- h. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Inglewood, California;
 - i. A contract with CR&R in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Perris, California; and
 - j. A contract with CR&R in an amount not to exceed \$100,000 for the expansion of an existing CNG station in Garden Grove, California;
- 2. Approve the award of a contract to the Coachella Valley Association of Governments in an amount not to exceed \$250,000 under the Local Government Match Program as part of the FY 2010-11 Work Program for the Coachella Valley Regional Street Sweeping Program, as described in this letter;
 - 3. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
 - 4. Authorize the Chairman of the Board to execute new contracts under FY 2010-11 AB 2766 Discretionary Fund Work Program, as described above and within this letter.

Greg Winterbottom
Chair, MSRC

CSL:HH:CR

Background

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to the AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Alternative Fuel Infrastructure Program

As part of the FY 2010-11 Work Program, the MSRC released a \$5 million Alternative Fuel Infrastructure Program Announcement #PA2011-12. Eligible projects include new, as well as upgraded or expanded, CNG and LNG stations. Stations are eligible for up to 50 percent of station capital equipment, site construction, signage, and reasonable project management costs, not to exceed the specified maximum award amounts. The maximum MSRC funding per project varies from \$100,000 to \$250,000 depending upon whether the applicant is a public or private entity, accessibility level of the proposed project, and number of fuels offered. Proposals meeting requirements are considered for funding throughout the application period on a first-come, first-served basis. The Program Announcement also includes a geographic minimum of \$250,000 per county, and an open application period commencing with its release and closing October 14, 2011. At its May

19, 2011 meeting, the MSRC considered requests for funding from 10 applications under this Program; details are provided in the Proposals section. Additional applications may be received and brought forward for consideration in the next few months.

Local Government Match Program

Also as part of the FY 2010-11 Work Program, the MSRC released a \$5 million Local Government Match Program Announcement #PA2011-13. The Program Announcement provides up to \$30,000 per vehicle for heavy-duty alternative fuel vehicle purchases, as well as alternative fuel infrastructure funding up to a maximum of \$400,000 per project. The re-power or retrofit of on- or off-road heavy-duty diesel vehicles, with maximum per-vehicle awards of \$50,000 per re-power and \$25,000 per retrofit, are also eligible projects. Finally, \$250,000 is reserved for qualifying AB 2766 Subvention Fund recipients in the Coachella Valley to support regional street sweeping programs. In all categories funding is provided on a dollar-for-dollar match basis, and funding for all eligible entities shall be distributed on a first-come, first-served basis with a geographic minimum per county of \$625,000. The Program Announcement includes an open application period commencing April 5, 2011 and closing June 3, 2011. 24 applications have been received to date. Further details are provided below in the Proposals section.

Outreach

In accordance with AQMD's Procurement Policy and Procedure, a public notice advertising the Alternative Fuel Infrastructure and Local Government Match Program Announcements and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the entire South Coast Basin.

Additionally, potential bidders may have been notified utilizing AQMD's own electronic listing of certified minority vendors. Notice of the Program Announcement was mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at AQMD's website (<http://www.aqmd.gov>). Information was also available on AQMD's bidder's 24-hour telephone message line (909) 396-2724. Further, the solicitation was posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

Proposal Evaluation and Panel Composition

Applications received in response to the Alternative Fuel Infrastructure and Local Government Match Program Announcements were evaluated by members of the MSRC's Technical Advisory Committee (MSRC-TAC), a diverse group of individuals appointed by participating members as prescribed in the Health & Safety Code.

Proposals

At its May 19, 2011 meeting, the MSRC considered recommendations from its MSRC-TAC and unanimously approved the following:

Alternative Fuel Infrastructure Program

As mentioned in the Background section, as an element of their FY 2010-11 Work Program, the MSRC released a \$5 million Alternative Fuel Infrastructure Program Announcement #PA2011-12. A total of 10 applications have been received to date, requesting a total of \$1.3 million. Projects were evaluated for compliance with the requirements set forth in the Program Announcement. The \$250,000 per-county geographic minimums for Riverside, Los Angeles and Orange counties are met by the 10 applications received. The \$250,000 geographic minimum for San Bernardino County has not yet been met. Because the Program is not yet fully subscribed, and remains open until October 14, 2011, \$250,000 can be reserved for this purpose without any need to delay consideration of other awards. The MSRC approved funding totaling \$1.3 million to fund the 10 applications, as follows:

- a. A contract with USA Waste of California in an amount not to exceed \$125,000 for the expansion of an existing LNG station in Corona, California through the addition of CNG dispensing and storage capability;
- b. A contract with Waste Management Collection and Recycling in an amount not to exceed \$125,000 for the expansion of an existing LNG station in San Gabriel, California through the addition of CNG dispensing and storage capability;
- c. A contract with Border Valley Trading in an amount not to exceed \$150,000 for installation of a new publicly accessible LNG station in Palm Springs, California;
- d. A contract with EDCO Disposal Corporation in an amount not to exceed \$100,000 for installation of a new CNG station in Signal Hill, California;
- e. A contract with EDCO Disposal Corporation in an amount not to exceed \$100,000 for installation of a new CNG station in Buena Park, California;
- f. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Huntington Beach, California;
- g. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Santa Ana, California;
- h. A contract with Go Natural Gas in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Inglewood, California;
- i. A contract with CR&R in an amount not to exceed \$150,000 for installation of a new publicly accessible CNG station in Perris, California; and
- j. A contract with CR&R in an amount not to exceed \$100,000 for the expansion of an existing CNG station in Garden Grove, California.

Local Government Match Program

As mentioned in the Background section, as an element of their FY 2010-11 Work Program, the MSRC released a \$5 million Local Government Match Program Announcement #PA2011-13. 24 applications have been received to date. Of these, 19 were received on the first day, requesting a total of \$5,267,985. Thus, the Program was oversubscribed on the first day. The Program Announcement established a geographic minimum of \$625,000 per county. The Los Angeles, Riverside, and Orange County geographic minimums have been met, but San Bernardino County's minimum has not yet been met. Awards to first-day applicants may need to be pro-rated, but the precise pro-rating factor(s) cannot be determined until either the San Bernardino County minimum is met or the application period closes on June 3, 2011.

The Local Government Match Program specified a targeted funding amount of \$250,000 for the Coachella Valley Regional Street Sweeping Program. On May 19, 2011, the MSRC considered an application submitted by the Coachella Valley Association of Governments (CVAG) under this category. The MSRC approved a \$250,000 funding award to CVAG to implement the Coachella Valley Regional Street Sweeping Program as part of the Local Government Match Program. The MSRC will consider funding for the remainder of the Local Match applications at a future meeting.

At this time the MSRC requests the AQMD Board to approve the contract awards under the FY 2010-11 Work Program as outlined above. The MSRC also requests the Board to authorize the AQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

Resource Impacts

The AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts will be drawn from this fund. These contracts will have no fiscal impact on the AQMD's operational budget.